Part of
Education and childcare during coronavirus

DfE
Department for Education

Guidance
Coronavirus (COVID-19): financial support for education, early years and children's social care

Updated 27 May 2020

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This guidance is under review following the Prime Minister's announcement of 26 May. We will update information as soon as possible.

The government has put in place a number of funding and financial measures to support education, early years and children's social care providers during the coronavirus (COVID-19) outbreak. These are intended to be temporary, timely and targeted to support public services, people and businesses through the period of disruption. This guidance sets out the financial support available to education, early years and children's social care providers in England. If you are not an education, early years and children's social care provider in England, you should be able to get more information about the support available to your sector or business by you from other relevant government departments or devolved administrations.

No organisation should profit from the exceptional financial support available, and should therefore only access the support required. For example, organisations should continue to receive government funding should non-furlough staff attendance rates fall. Organisations should also be aware that Ofsted will take into account the impact of the Coronavirus Job Retention Scheme (CJRS).

All organisations are expected to have adequate and effective governance arrangements and controls in place to ensure public funding is spent effectively and appropriately.

Funding and financial support for businesses

Continued government funding for activities

For many providers, government will continue to provide funding at normal rates. For example core funding for schools through the Dedicated Schools Grant (DSG), 16 to 19 education providers through the Education and Skills Funding Agency (ESFA), and local authorities receive funding as part of the DSG and should continue to pay providers. Providers (including the top up funding in respect of individual children and young people) at the normal rates.

Where funding continues to be paid, we expect providers to continue to provide their services to children, young people and their families, and to ensure that educational activities have changed, shift or be rescheduled or best suited to the current circumstances (COVID-19 response and should continue to be paid as normal, even if typical duties cannot be carried out.

Support for business that pay business rates

In addition to existing business rates relief, the government has outlined further support to the business rate system which may be relevant to the education, early years and children's social care sectors:

- an additional Small Business Grant Scheme to support small businesses that already qualify for or business rates relief (including those in receipt of small business rate relief (SBRR) and supported rate). This will provide a one-off grant of £10,000 to eligible businesses
- a business rates holiday for properties in Occupation for Rating Purposes that will benefit from the relief will be occupied by providers in Office for Standards in Education, Children's Services and Skills (Ofsted) Early Years Foundation Stage. Billing authorities may not grant the relief to other ratepayers

Any enquiries on eligibility for or provision of the grants or holidays should be directed to the relevant billing authority.

Coronavirus (COVID-19) Business Interruption Loan Scheme

- the Coronavirus Business Interruption Loan Scheme will help to support long-term viability of small businesses across the country to cash flow problems caused by the virus by widening additional finance
- the scheme supports SMEs with access to loans, overdrafts, invoice finance and asset finance of up to 6 years in length
- the scheme is administered by commercial lenders, designed for UK based organisations not classified as public sector

read more about the scheme and how to apply

Coronavirus (COVID-19) Large Business Interruption Loan Scheme

- the Coronavirus Large Business Interruption Loan Scheme (CLBILS) is a government backed loan scheme administered by commercial lenders
- it is designed to support UK businesses with a turnover of £45 million per year and be able to apply for up to £50 million of finance. Firms with a turnover of more than £45 million will be able to apply for up to £22 million of finance
- loans backed by a guarantee under CLBILS will be offered at commercial rates of interest

read more about the scheme and how to apply

COVID-19 Corporate Financing Facility

- the COVID-19 Corporate Financing Facility (CCFF) is a facility designed to support liquidity amongst firms, helping them to bridge unexpected gaps in cash flow. The Bank of England will buy commercial paper from eligible companies
- the CCFF provides funding to businesses by purchasing commercial paper issued by companies. It will be a temporary facility, which will last for a period of 12 months. This facility will primarily provide longer support to businesses to see them through the temporary nature of coronavirus (COVID-19) related disruption

read more about the scheme and how to apply

Statutory Sick Pay (SSP) relief for Small and Medium Sized Enterprises

- the government has introduced a rebate scheme to allow small and medium sized businesses to reclaim Statutory Sick Pay (SSP) paid for staff sickness absence related to coronavirus (COVID-19). The refund will cover up to 2 weeks' SSP per eligible employee, for those employees who have been sick for 4 days in a row or have had to self-isolate because of it
- employers must maintain records of staff absences

read more about the scheme

Coronavirus Job Retention Scheme for furloughed workers

- the Coronavirus Job Retention Scheme (CJRS) is designed to support employers across sectors who have been severely affected by coronavirus (COVID-19) by providing them with a grant to help them to continue paying part of their employees' wages to keep their furloughed employees on their payroll
- the scheme will cover a furloughed staff member up to 80% of their usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions, that arise from this wage
- the scheme is available to all UK employers, including charities, which had created a PAYE scheme on or before 19 March and furlough staff
- the government expects that the scheme will not be used by some public sector organisations, as most public sector employees are continuing to provide essential services and therefore cannot be furloughed. Furlough may be used by those organisations where employees receive partially funding for staff costs, and that funding is continuing, we expect employers to use that money to continue to pay staff in the normal way. Furlough may also be used for those who are furloughed for other public sector employers who receive public funding for staff costs
- organisations that are receiving public funding specifically to provide services or undertake activities that are temporarily suspended may furlough staff to furlough
- in a small number of cases, for example where organisations are not receiving funding for the government and whose staff cannot be redeployed to assist with the coronavirus response, the scheme may be appropriate

read more about the scheme

Public Procurement Note 02/20

- in March 2020, the Cabinet Office published the 'Procurement Policy Note 02/20 – Supplier relief due to COVID-19'. This confirmed that contracting authorities would be able to make payments to their suppliers, including those in the social care, community and children's sector, if they are better able to cope with current disruption and to resume normal service delivery and fulfil their contractual obligations when the disruption ends
- it covers procurement carried out under the Public Contract Regulations 2015, Defence and Security Public Contracts Regulations 2011, the Utilities Contracts Regulations 2016 and the Concession Contracts Regulations 2016
- contracting authorities will need to ensure that spending is made as cost effective for money and conduct appropriate and proportionate due diligence to carried out to ensure that suppliers are in a financial position to deliver goods and services

read more about the Cabinet Office PPN 02/20 guidance

The guidance below is intended to offer a view of the likely suitability of each of the scheme above, based on position type. For further guidance on the eligibility of the above support packages, please refer to their respective guidance page as linked above.

Which options should be used

Due to the variety of organisations in the education, early years and children's social care sectors and the different types of support on offer, it may be appropriate for organisations to access a mixture of different support. However, we expect that all organisations should consider the following options first:

- the Coronavirus Job Retention Scheme, and therefore are less likely to be eligible for support via the CJRS. Organisations may find the Self Employed Income Support Scheme (SEISS) and the Coronavirus Business Interruption Loan Scheme (CBILS) guidance in this section. For school-based nursery provision, please see the 'schools' section below.

On 27 March 2020, the Chancellor confirmed that the government will continue to pay local authorities for free early years entitlement for 2, 3 and 4 year olds to local authorities for the current financial year, based on the previous January 2020 business rates holiday for early providers in England for the 2020 to 2021 year. Read this guidance.

Early years settings should remain open where they are needed to provide childcare for the children of critical workers who cannot be cared for safely at home, and vulnerable children.

If private providers should only furlough employees, and therefore are not able to access the Coronavirus Job Retention Scheme, if they meet the following conditions:

- the provision is one of a series of business activities and furlough staff to furlough for support via the CJRS. Childminders may find the Self Employed Income Support Scheme (SEISS) and the Coronavirus Business Interruption Loan Scheme (CBILS) guidance in this section. For school-based nursery provision, please see the section on schools' section below.

On 27 March 2020, the Chancellor confirmed that the government will continue to pay local authorities for free early years entitlement for 2, 3 and 4 year olds to local authorities for the current financial year, based on the previous January 2020 business rates holiday for early providers in England for the 2020 to 2021 year. Read this guidance.

Early years settings should remain open where they are needed to provide childcare for the children of critical workers who cannot be cared for safely at home, and vulnerable children.

If private providers should only furlough employees, and therefore are not able to access the Coronavirus Job Retention Scheme, if they meet the following conditions:

- the provision is one of a series of business activities and furlough staff to furlough for support via the CJRS. Childminders may find the Self Employed Income Support Scheme (SEISS) and the Coronavirus Business Interruption Loan Scheme (CBILS) guidance in this section. For school-based nursery provision, please see the section on schools' section below.
- the provision is a standalone business and furlough staff to furlough for support via the CJRS
- the employee is not needed to deliver provision that has already been funded (free entitlement funding)
- the employee is not needed to deliver provision that has been funded (free entitlement funding)
- the employee is not needed to provide childcare for critical workers or vulnerable children who are attending settings

Residential special schools

State-funded residential special provision is delivered in various types of setting, including state-maintained schools, non-maintained special schools, independent schools and special post 16 institutions. While the educational costs will continue to be funded from the DSG, the residential costs are met from social care budgets. Local authorities will continue to receive funding for social care provision and should continue to pay residential costs so that the employment and payment of staff supporting children and young people who require residential provision can continue.

Independent schools

Mainstream independent schools

In line with other settings, independent schools have been asked to remain open for the children of critical workers and the most vulnerable children. Independent schools are, in general, funded by fee income paid by parents. Since schools have closed to the majority of pupils, they, like other businesses, may be facing a sudden and substantial loss of income. These institutions should access the support schemes referred to above, in order to retain staff and enable the school to reopen fully in due course.

However, if there are any activities for which schools continue to receive public funding, such as looked after children placed by a local authority, or local authority support for pupils with EHC plans, we expect schools to use that money to continue to pay those staff in the usual fashion – and therefore not furlough them or seek support via the Coronavirus Job Retention Scheme.

Independent special schools

The majority of pupils in independent special schools have been placed there by local authorities under an EHC plan, funded from the high needs block of the DSG.

As noted above, local authorities will continue to receive their high needs budgets and should continue to pay top-up and other high needs funding to independent special schools, so that the employment and payment of staff supporting children and young people with SEND can continue. Some independent special schools also have pupils who are funded privately instead of under an EHC plan. These institutions should only access the support schemes identified above in relation to the proportion of staff that is not supported through public funding, and only to the extent that the school is facing a loss of income because the children have been withdrawn by their parents leading to a loss of fee income.

Further education and apprenticeships

Further education and apprenticeship providers include further education colleges, sixth form colleges, designated institutions, independent training providers, adult and community learning providers, and higher education institutions to the extent that they provide further education or apprenticeships. They are funded in 3 main ways: by grant; under a direct contract for services with ESFA; or through a funding agreement with the ESFA (where provision is delivered under a contract for services between a levy paying employer and an apprenticeships training provider, or advanced learner loan funded learning).

Where the provider is continuing to receive public funding through any of these routes they should continue delivering this provision where feasible, including through remote delivery. They should not furlough staff whose salaries are paid from continuing Education and Skills Funding Agency (or any other public) income. This applies to both teaching and non-teaching staff.

We recognise that many providers rely on funding from a mix of public sources and other income streams such as fees, employer contributions and commercial income. Where public income has reduced or non-public income has ceased or reduced, it may be appropriate for providers to seek support from the Coronavirus Job Retention Scheme to furlough staff. Providers should only furlough employees if they meet the following conditions:

- the employee works in an area of business where services are temporarily not required and whose salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded
- (where appropriate) the employee is not required to deliver provision for a child of a critical worker and/or vulnerable child
- the grant from the Coronavirus Job Retention Scheme would not duplicate other public grants received and would not lead to financial reserves being created

If it is difficult to distinguish whether staff are funded through continuing public funding, for the purposes of meeting the first 3 conditions listed above, then the total proportion of teaching and non-teaching staff (based on gross payroll) that are retained (for example, not furloughed) should, as a minimum, be equivalent to the continuing public income, as a proportion of all income that the provider usually receives. For example, if the only source of public funding is through a grant, and non-grant income makes up 25% of total income, then this should be the total maximum proportion of staff (based on gross payroll) that could be furloughed.

Where providers consider furloughing staff, they should ensure that they take a fair and reasonable approach to part-time, sessional and temporary staff, reflective of good HR practice and legal requirements.

Where a provider receives Adult Education Budget (AEB), or apprenticeship funding, as part of a direct contract for services with ESFA, and is at risk financially, they may be eligible for support (subject to meeting additional criteria) as part of DfE's response to the Cabinet Office's Procurement Policy Note 02/20. Support provided through that mechanism would count as public funding for the purposes of conditions covering the Coronavirus Job Retention Scheme.

Further guidance on the operation of any supplier relief scheme for providers funded under a contract for services with ESFA will be published when available. Providers should email ESFA.PPN220Queries@education.gov.uk to register their interest in the scheme.

In instances where public funding is not delivered under a contract for services with the ESFA, the Cabinet Officer's Procurement Policy Note 02/20 is not applicable.

The DfE is considering appropriate measures to monitor use of these schemes in order to detect any duplication of funding, and will be considering potential options to recover misused public funding as required.

Some providers may also be eligible for the Coronavirus Business Interruption Loan Scheme or Coronavirus Large Business Interruption Loan Scheme. For more information on eligibility, please consult your commercial bank or refer to the financial support for businesses guidance.

Special post-16 institutions

As noted above, local authorities will continue to receive their high needs budgets and should continue to pay top-up and other high needs funding to special post-16 institutions, so that the employment and payment of staff supporting young people with SEND can continue. The ESFA will continue to provide high needs place funding. Similarly, local authorities should continue to support the residential costs of those students that are in residential provision.

As with colleges, special post-16 institutions may rely on non-grant income for young people with EHC plans. If such income has ceased or reduced, it may be appropriate for special post-16 institutions to seek support from the Coronavirus Job Retention Scheme to furlough staff who are working on activities relating to those non-grant income streams, in the same way as providers as set out above.

Higher Education

During and after the coronavirus (COVID-19) outbreak, our aim is for Higher Education (HE) providers to continue to:

- deliver HE provision
- support the needs of students, both on and off campus

We will work with HE providers to help them access the range of measures on offer to:

- support financial viability and sustainability
- safeguard jobs (including those staff on casual, hourly paid or fixed-term contracts)

We have confirmed that the Student Loans Company is planning to make Term 3 tuition fee payments as scheduled.

We expect that in most circumstances, HE providers will be able to continue paying their staff as usual because HE delivery has largely moved online, and staff are maintaining key services, including those for students remaining on campus.

Coronavirus Business Interruption Loan Schemes (CLBILS) and COVID-19 Corporate Financing Facility (CCFF)

If HE providers meet the published criteria for the Coronavirus Business Interruption Loan Scheme (CBILS), or the Coronavirus Large Business Interruption Loan Scheme (CLBILS), they should consider approaching their bank to apply for the scheme, if they judge that is needed. Some HE providers may also meet the criteria for the COVID-19 Corporate Financing Facility (CCFF) and should liaise with their bank to discuss eligibility. If their bank does not issue commercial paper, UK Finance has published a list of those banks that are able to assist.

Coronavirus Job Retention Scheme (CJRS)

Where the above schemes are not appropriate, HE providers are eligible for the CJRS. HE providers should only furlough employees and seek support through the Coronavirus Job Retention Scheme if they meet the following conditions:

- the employee works in an area of business where services are temporarily not required and whose salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded
- (where appropriate) the employee is not required to deliver provision for a child of a critical worker and/or vulnerable child
- the grant from the Coronavirus Job Retention Scheme would not be duplicative to other public grants that the HE provider receives and would not lead to financial reserves being created

Any grant from the CJRS should not duplicate other sources of public funding where these are being maintained, such as UK home student tuition fees. However, we do recognise the complexity of HE revenue and the role that cross-subsidy plays. If it is difficult to distinguish whether staff are funded through public or commercial income for the purposes of meeting the first 3 conditions as listed above, and some staff will be funded through multiple sources, as a guiding principle, HE providers should not seek to furlough a higher proportion of their wage bill than could reasonably be considered to have been generated through commercial income, including from non-public research grants and contracts.

It is likely that decisions on whether to furlough staff will need to be taken on a case by case basis. To be eligible for the CJRS, when on furlough, an employee cannot undertake work for, or on behalf of, their employer.

Where research work has been paused (for example, where grant holders have requested a no-cost extension to UK Research & Innovation grants) and therefore providers are not able to receive payments towards staff costs for a period, resulting in a loss of income due to ceased or reduced delivery of research programmes, providers should consider their eligibility and apply for the wide range of financial support that HM Treasury has already announced for businesses, including the Coronavirus Job Retention Scheme in line with the above conditions.

The DfE is considering appropriate measures to monitor the use of these schemes in order to detect any duplication of funding, and will be considering potential options to recover misused public funding as required.

We will continue to engage with the sector and update this guidance, and provide further clarification as necessary.

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Coronavirus (COVID-19)

Coronavirus (COVID-19): guidance and support

The UK has left the EU

Transition period: get ready for 2021

Services and information

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